



TOC TIMES

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THOROUGHBRED OWNERS OF CALIFORNIA

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A Simple Proposal for Partnerships

By Bob Bone

One of my goals as a new TOC board member of is to simplify the way partnerships are treated from an accounting standpoint. Currently, when a horse owned in partnership wins a race, the purse money goes into the partnership account, with the income directed to only one partner's Social Security number. At year's end, that partner receives a W-2 for all monies earned from any horses owned by the partnership and must send out 1099's to each of the other partners.

In addition to the needless effort involved, several complications can occur. Often a partnership has been dissolved and one or more partners cannot be located. Also, if a partner does not handle the expense reporting correctly at tax time, it can throw up a red flag and result in an IRS audit.

A simple solution would be to create a form that is attached to the papers of every horse at the track listing all owners and their ownership percentages. Each partner would establish an account in his or her name with the paymaster. When a horse owned by a partnership earns purse money, funds would be automatically divided among the individual accounts, and the amount added to the W-2 form of each individual owner at year-end.

Such a system would save owners time and effort at tax time, with less risk of being audited. With each partner having a separate account, it would eliminate the need for calls to the paymaster requesting that purse money be split up among the partners. And there would be no chance for a dishonest partner to withdraw funds belonging to the other partners.

Although it may require some extra time for set up, this system would eventually make the paymaster's job much easier as well. With today's technology, it's hard to imagine that such a system could not be developed and put into place and, once up and running, simplify things for all involved – the paymasters, the owners and trainers, and the IRS!

UPCOMING TOC EVENTS

Saturday, June 21st

TOC Seminar-Conformation Clinic
Hollywood Park Owner Trainer
Lounge, Inglewood, CA

Saturday, June 28th

TOC Ownership Conference-
An In-Depth Study of Racehorse
Ownership
Pleasanton Satellite Facility,
Pleasanton, CA

Saturday, July 19th

TOC Open House
Del Mar Racetrack, Del Mar, CA

Contact the TOC at (800) 994-9909 for
details on all upcoming events.

THE QUARTER POLL

Should each partner in a racing partnership have a separate paymaster's account?

Let us know how you feel. Contact us at toc@toconline.com.

CARMA Fundraiser August 21st at Del Mar

CARMA (California Retirement Management Account) continues to move towards its official launch at the start of the 2008 Del Mar race meet. A charity poker tournament, including silent auction, will kick off CARMA's fundraising event efforts; supplementing the three-tenths of one percent deduction from horsemen's purse accounts. Mark your calendars for Thursday, August 21st – the CARMA Poker Tournament should not be missed! If you would like to donate auction items or volunteer at the event, please contact CARMA at (626) 574-6618.

CARMA was created to assist Thoroughbred retirement facilities that care for and retrain horses whose careers have ended after competing in California Thoroughbred races. It will manage a grant request process and disburse funds to qualified retirement facilities caring for such horses. A 501(c)(3) non-profit charity, CARMA is actively seeking contributions. Donations are tax deductible and may be sent to: CARMA, PO Box 1086, Sierra Madre, CA 91025-9086. (Tax ID #80-0146395).

TOC Owner Profile: Janette and Jeff Deeney



Janette and Jeff Deeney were casual fans attending races in the Bay Area whenever they could until about four years ago. That's when after a successful Friday night outing at Bay Meadows they got the itch to own. Internet research led them to the Owners Stable, a partnership group racing throughout California. They jumped in with a \$500 investment for a piece of a horse named Leave to Appeal. After a couple of rough outings, they found themselves in the

winner's circle twice in a row. They were hooked.

After getting their feet wet for about a year they went out on their own having bought horses both privately and at Northern California sales. Their best horse currently training is Classielyte, a 3yo trained by Armando Lage. Classielyte is undefeated in his first two starts to date.

Janette and Jeff are frequent attendees at TOC's Continuing Education Seminars and find them a great place to meet other owners and potential partners. Jeff was born and raised on the Peninsula and is a Web Master for a law firm in Palo Alto. Janette works in hospitality at Stanford University and is originally from Pennsylvania. The couple is also involved in horse rescue and adoption with Neigh Savers; Jeff as their volunteer Web Master and Janette serves on the Board of Directors. Now living in Foster City, they attend the races as frequently as possible.

LEADING OWNERS

Northern California Money Won

Tommy Town Thoroughbreds LLC	\$140,566
Joseph P. Morey, Jr. Revocable Trust	\$126,358
Jerry Hollendorfer or George Todaro	\$119,338

Northern California Races Won

Jerry Hollendorfer or George Todaro	8
Joseph P. Morey, Jr. Revocable Trust	7
Tommy Town Thoroughbreds LLC	4

Southern California Money Won

Everest Stables, Inc.	\$352,800
Mr. & Mrs. J. S. Moss	\$194,850
Skyline Stbs, Bienstock & Winner Stb., Lenner, Et Al	\$186,300

Southern California Races Won

Everest Stables, Inc.	6
Holly & David Wilson	4
Robert D. Bone	3

Footnotes.... The California Marketing Committee (CMC) has created a program to subsidize pre-approved horses shipping to California. For more information, see www.toconline.com. TOC President, Drew Couto, attended the Jockey's Insurance Meeting at Los Alamitos Race Course on May 2nd. Couto, Guy Lamothe, Executive Director, and Richard Scheidt, Northern California Director of Operations, attended the May 13th Fairplex Funding meeting at Pleasanton Fairgrounds. Lamothe and TOC Chair, Marsha Naify, attended the CHRB meeting held at Cal Expo on May 20th.

Contact us at www.toconline.com or call 800-994-9909